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ABSTRACT

The Center for Education Statistics (CES) forecasts that current expenditures in public elementary and secondary schools will increase 3.5 percent from school year 1986-87 to school year 1987-88. Current expenditures, which increased 22.6 percent from 1981-82 to 1986-87, are projected to increase 16.4 percent from 1986-87 to 1991-92. One table and two figures illustrate the data. Technical notes cover methodology, forecast accuracy, sources of data, and acknowledgments. (MLF)

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CENTER FOR EDUCATION STATISTICS

Targeted Forecast

April 1988

Public Elementary and Secondary Current Expenditures Projected to Grow in 1987-88

1987-88 Current Expenditures

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- The Center for Education Statistics (CES) forecasts that current expenditures* in public elementary and secondary schools will increase 3.5 percent from school year 1986-87 to school year 1987-88.
- Current expenditures will increase from $146.1 billion in 1986-87 to $151.3 billion in 1987-88.
- Current expenditures per pupil in average daily attendance will grow 2.3 percent, from $3,966 in 1986-87 to $4,056 in 1987-88.

5-Year Outlook

- Current expenditures, which increased 22.6 percent from 1981-82 to 1986-87, are projected to increase 16.4 percent from 1986-87 to 1991-92.
- Current expenditures per pupil in average daily attendance in constant dollars are forecast to rise 10.3 percent from 1986-87 to 1991-92. This follows a 23.5 percent increase from 1981-82 to 1986-87.

Forecast

Public elementary and secondary current expenditures, with forecasts: 1985-86 to 1991-92

Status of data	School year	Constant 1987 dollars	
		Total (in billions)	Per pupil in average daily attendance
Actual	1985-86	$142.1	$3,893
Estimate	1986-87	146.1	3,966
Forecast	1987-88	151.3	4,056
	1988-89	154.4	4,125
	1989-90	159.2	4,209
	1990-91	164.6	4,292
	1991-92	170.0	4,374

NOTE--These forecasts were prepared November 1987.

*All figures for current expenditures are in constant 1987 dollars.

Crosscutting
Education Statistics
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U.S. Department of Education
Office of Educational Research and Improvement CS 88-632

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Figure 1.- Current expenditures in public schools: 1971-72 to 1991-92

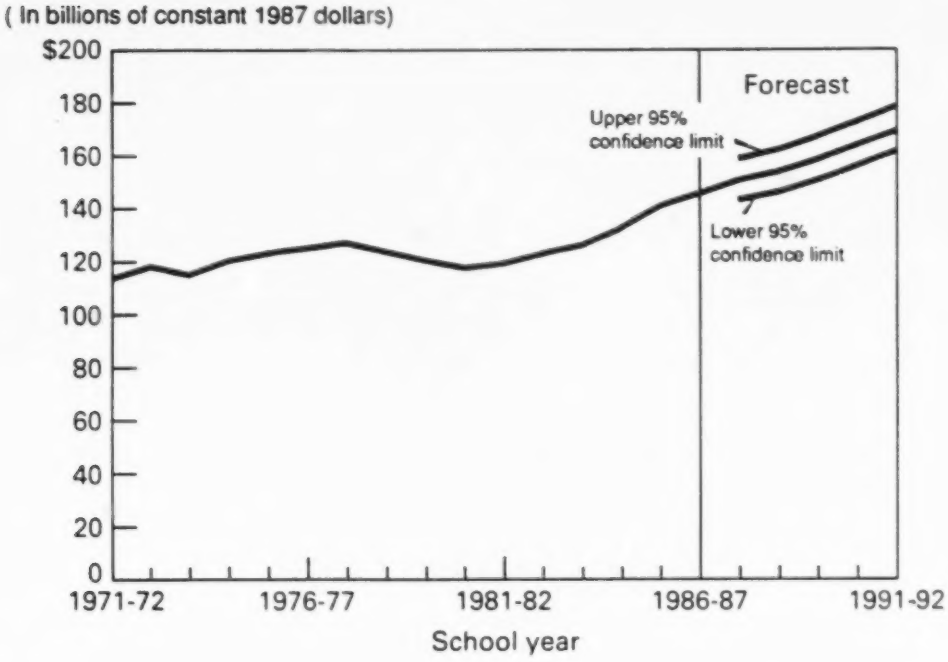
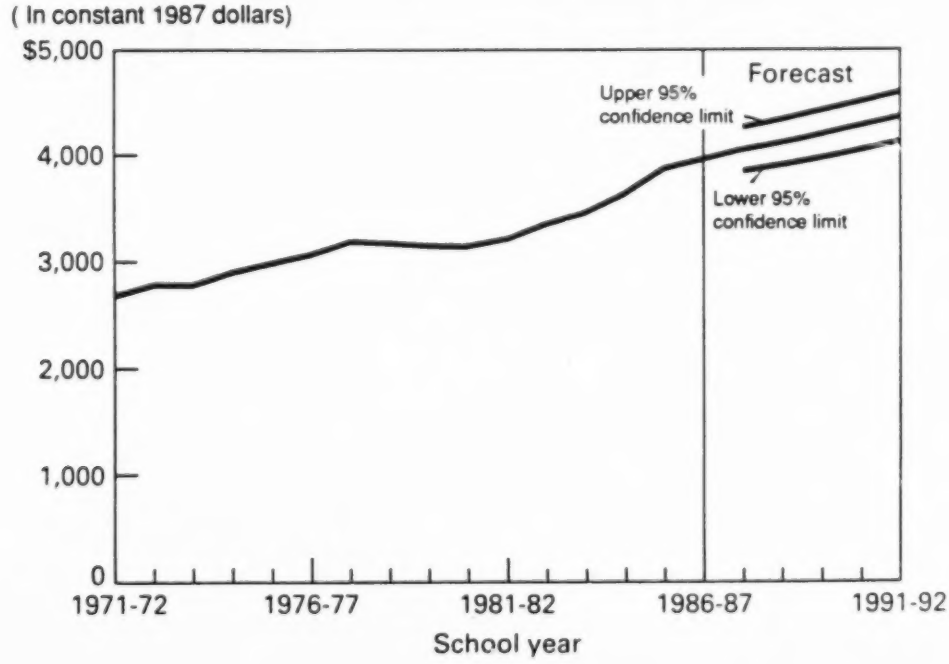


Figure 2.- Current expenditures per pupil in average daily attendance in public schools: 1971-72 to 1991-92



Technical Notes

Methodology

Projections of current expenditures per pupil in average daily attendance (ADA) were developed using multiple linear regression. Disposable income per capita, revenue receipts from State sources per capita, and the ratio of ADA to the population (lagged 1 year) were used as independent variables. Current expenditures per pupil in ADA, disposable income per capita, and revenue receipts from State sources per capita were all in constant dollars. The forecasts for total current expenditures were determined by multiplying the forecasts for current expenditures per pupil in ADA by forecasts for ADA.

These forecasts were calculated before the CES early estimate for 1986-87 was available. The National Education Association estimate was used in the calculations.

Percent changes were calculated using unrounded numbers.

For further details on the methods used to develop these forecasts, see *Projections of Education Statistics to 1997-98*, forthcoming.

Forecast Accuracy

Since this is the first time in several years that CES has used econometric models to forecast current expenditures, the Center has no measure of past model accuracy. However, confidence limits can be used to assess the adequacy of the forecasts. The narrower these limits are, the greater the confidence in the forecasts. For both total current expenditures and current expenditures per pupil in ADA, it is 95 percent sure that the actual value will fall within 6 percent of the forecast value for a given year. For information on the methods used to calculate these confidence limits, see *Projections of Education Statistics to 1997-98*, forthcoming.

Sources of Data

Current expenditures, revenue receipts from State sources, and average daily attendance figures were obtained from the Common Core of Data survey of the U.S. Department of Education, Center for Education Statistics, and *Estimates of School Statistics* by the National Education Association. Disposable income per capita, the population, and the Bureau of Labor Statistics "All Urban Consumer Price Index" were obtained from Data Resources, Inc.'s "Off-Line U.S. Economic Service: Long-Term Option". Because no regular survey exists for private elementary and secondary current expenditures, no forecasts based on such a survey could be made.

Acknowledgments

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For more information about these forecasts, contact

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